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Peru Alternative Development Project

Contract No. 527-C-00-04-00043-00

Quarterly Report (April - June 2005)



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Executive Summary

Chemonics International Inc. is pleased to submit the following Quarterly Report for the period April 1 through June 30, 2005 in accordance with Section F.2 of Contract No. 527-C-00-04-00043-00: Peru Alternative Development (PDA) program. The objective of this contract is to promote the sustained reduction of illicit coca production in Peru; it follows a previous contract (No. 527-C-00-03-00001) which was awarded to Chemonics in October 2002 for the implementation of pilot alternative development activities in Peru and concluded on August 30, 2004. The current contract runs from March 2004 through September 2007.

The following report summarizes the key activities undertaken during this period, results achieved, key lessons learned and projected activities for the next quarter. In an effort to facilitate the reading of this document, we have organized it according to the various project CLINs. We welcome any suggestions for its improved organization.

Highlights of Second Quarter 2005	Chapter I: Context
<ul style="list-style-type: none">• 276.6 hectares of coca voluntarily reduced	Chapter II: Socialization (CLIN 2: Auto or Voluntary Eradication)
<ul style="list-style-type: none">• 84% of coca free communities visited for verification activities	Chapter III: Implementation of Community Program (CLIN 2: Auto or Voluntary Eradication)
<ul style="list-style-type: none">• 6460 hectares of crops were installed during this period, supported by 11 contracts with private enterprises and 39 grants to producers' organizations	Chapter IV: Implementation of Cross-Cutting Initiatives (CLIN 2: Auto or Voluntary Eradication)
<ul style="list-style-type: none">• 69 new infrastructure projects awarded to contractors and 64 completed this quarter (318 projects completed to date)	Chapter V: Communications (CLIN 3: Willingness to Reject Coca Increased)
<ul style="list-style-type: none">• 415 completed titles registered in public records with PETT supervision	Chapter VI: Monitoring and Evaluation (CLIN 5: Performance Monitoring)

Annex 1 contains a financial and administrative report. CLIN 1, start-up, has been completed and therefore no further reports are required. CLIN 4, Situational Response, is focused on unanticipated yet essential services and goods to support the program. No specific activities conducted this quarter can be classified in this category and therefore no separate report has been prepared. Therefore, the report focuses on CLIN 2, 3, and 5.

The following events characterize activities this quarter:

- Initiation of the 2005 voluntary eradication program with the signing of the first community agreements (*convenios marco*) in seven communities of the Bajo Huallaga and the eradication of 142.4 hectares of coca plants.
- Receipt of letters of invitation for CADA measurement from 33 out of a proposed 86 communities for 2005 program intervention in Aguaytia and 26 communities out of a total of 74 in the Tocache area; completion of most 2005 identification of new areas for PDA intervention.
- Eradication of 134.2 hectares of coca plantations pertaining to remnants from communities that had previously signed eradication agreements.

- Signed an agreement with INRENA to exclude 4942 plots from the protected forest for land titling and assisted PETT register 415 land titles out of 1185 plots that PDA staff measured and delivered to PETT.
- Completed a programmatic evaluation of CEDRO, and defined continuation of the contract with Acción Sin Fronteras to provide capacity building TA to producer associations and municipalities; established parameters for cooperation with USAID's PRODES project.
- Carried out a partial reorganization of the PDA structure to reinforce decentralization and delegation of authority to the regional offices.
- Developed a plan for the programmed reduction of PDA staff in conjunction with the completion of major R379 activities related to infrastructure, productive projects and land titling.

Activity highlights for the quarter include:

The 2005 Intervention Program: During this past quarter, the PDA, in conjunction with DEVIDA San Martin regional staff, initiated the 2005 voluntary eradication program in seven communities in the Bajo Huallaga River basin. Revised negotiating strategies were utilized to reach agreement on benefit packages for the participating communities and their members, resulting in lower costs per hectare eradicated than in 2003 interventions. However, a higher number of beneficiary families than anticipated, as has occurred in previous interventions, prevented even greater savings. This experience highlighted the need to more carefully secure and control community rosters and raises again the issue of the merits of paying bonos as an incentive for communities to participate in the program. Community negotiations were closely coordinated with local municipal authorities. DEVIDA regional staff, led by the director Aureleo Matute, worked in close coordination with PDA staff. As of the presentation of this report, eradication in the Bajo Huallaga is now complete and program activities are scheduled to commence.

Final identification on new communities for inclusion in the 2005 eradication program and securing of CADA invitation letters is well advanced both in the Tocache as well as the Aguaytia regions, with a goal of eradicating 3,000 hectares of coca by the end of the calendar year. However, there has been a potential setback resulting from the apparent lack of reliability of satellite photo images produced by CADA to more accurately estimate the existence of coca in the target communities. Preliminary discussions with USAID and CADA had indicated the possible utilization of these images to estimate coca hectares before entering into negotiations with communities. This methodology was tested with the communities of Sauce and Shapaja in the Tocache area with disappointing results. After initially estimating significant quantities of coca, subsequent analysis of satellite images revealed extremely low densities of coca. This situation is forcing PDA staff to reassess the manner in which final estimates of coca presence are conducted prior to engaging communities in voluntary eradication negotiations and the definition of benefit packages. In all likelihood, it may signal the need to implement actual site visitations and measurement using GPS devices. Final decisions will need to be made without delay in consultation with DEVIDA and USAID regarding this situation in order to meet with 2005 eradication goals.

Socialization (CLIN 2): A total of 276.6 hectares of coca were voluntarily eradicated this quarter, for a cumulative total of 3,111.6 hectares since the beginning of PDA II. This total includes both hectares eradicated based on the signed community agreements (*convenios marco*) and the follow-up eradication of coca remnants belonging to recalcitrant community members. The eradication

strategy for 2005 is now well defined and consists of grouping communities for the most part by districts and dealing closely with municipal authorities at the district and village level. Rather than offer benefit packages, the new strategy seeks to discover current community priorities defined through participatory planning processes (as performed by PRODES, PRISMA, FUNCODES, and other institutions). PDA assistance is then negotiated based on these priorities and the mobilization of counterpart resources and community participation. Following the PDA reorganization, the socialization function is slated to acquire a greater and more professional role as the program seeks to improve its interaction with the community and district government in order to build capacity and foster sustainable development.

Implementation of Community Programs (CLIN 2): While the PDA continued to devote considerable attention to the delivery of the agreed-to projects contained in the signed *convenios marco* with the R379, these activities began to wane somewhat in the wake of a shifting of program priorities towards the implementation of 2005 eradication goals. Nonetheless, the following was accomplished:

- **Infrastructure.** PDA initiated 63 new infrastructure projects in compliance with the terms of the agreements signed with the communities and completed and delivered another 64 projects to the beneficiary communities. Out of a total of 521 projects contained in the agreements with the R379 communities, 318 have been completed, 123 are underway, 19 are in various phases of initiation, 20 are being undertaken by other institutions, 14 have been cancelled for a variety of reasons, and 20 are being renegotiated or reformulated. During this period, 69 projects were adjudicated to contractors. New contracting procedures developed in late 2004 to streamline the contracting process, expedite implementation, and ensure supervision of the infrastructure projects have proven to be effective.
- **Economic Service Centers (CSE/Productive Projects).** To date, the PDA project has implemented 96 per cent of the crops agreed upon in the R379. This represents a total land area of 36,402 hectares. The remaining 1630 hectares mostly represent the implementation of the long-awaited palm oil project in the Aguaytia in conjunction with OLAMSA. A major effort during this period has also gone into dealing with a variety of problems that have been detected with both contractors and producer associations, such as inadequate accounting systems, poor organization in the delivery of services, and suspicion of fraud. Without doubt, one of the greatest challenges of the PDA has been the logistics involved in implementing multiple crops over a vast territory. One of the difficulties has been attracting qualified companies or service providers to accomplish the task. Another has been the institutional weaknesses of the producer organizations, such as COPASO, which was charged with the implementation of several thousand hectares of cotton. Despite these difficulties, project staff continues to work diligently to overcome deficiencies and deliver services.
- **Natural Resources.** A benchmarking draft for environmental assessment of pesticides (PERSUAP) and crops was submitted and approved by USAID. A consultancy is scheduled to commence July 11th, 2005 for the completion of the PERSUAP and assess the results and recommendations of the Programmed Environmental Assessment (PEA) audit and the national workshop. The principal environmental focus this period has been on implementing projects supporting the sustainable management and extraction of forest resources in identified regions and designing mechanisms for cooperation for implementation of the PEA.

Implementation of Cross-Cutting Initiatives

Land Titling (CLIN 2). The PDA finally signed an agreement with INRENA to validate the land classification reports and to exclude any potential titles which conflict with the Permanent Production Forests (PPF), and formalize relations in the titling process. PDA involvement in land titling has evolved into a race against the clock to conclude activities by end of calendar year 2005. In all likelihood a majority of the 1185 plots turned over to PETT will complete the titling process. Of these, 415 were filed with SUNARP in Ucayali with an announcement printed in the *El Peruano*. Another similar number is scheduled to be filed during July and August. Of the 4932 plots that are in the PPF, INRENA is conducting the due diligence process to determine if exclusion, opening the door to titling, is in order. Should INRENA rule favorably, PETT will then carry out its own review to determine which plots can be titled. The last report from INRENA identifies a series of obstacles that must be overcome. PETT has claimed a lack of funds to do its part. In sum, while PDA has exceeded its goal of preparing 4300 beneficiary farmer plots for titling, it seems unlikely that the Peruvian titling process will finish its part before the scheduled conclusion of PDA's involvement in this activity in December 2005.

Communications (CLIN 3): Important activities this quarter included the decision to not participate in a national communications effort in favor to focusing efforts and resources on local and regional activities. During this past quarter, several major events were held in the various regional offices, such as the March for Development in La Morada, organized by the Tingo Maria Regional Office, and the San Juan holiday celebrations in Chazuta. Both events were deemed very successful and took place without incident.

Monitoring and Evaluation (CLIN 5): The PDA M&E system continues to expand its database containing information on beneficiary communities, infrastructure, productive projects, socialization, and financial data. While the system has proven to be enormously capable of providing accurate and current information on program implementation, it remains a challenge to ensure that all stakeholders remain attentive and diligent about introducing the proper information on a regular basis. A significant effort is needed to train database user to retrieve information in order for all institutional users to have access to needed data. Plans for such training are underway based on selecting key users who can train others, or specialize in information retrieval for their respective agencies or offices. Work on a study of the impact of the bono was initiated during this period with final results expected in mid August. M&E staff also devoted considerable time and effort to the CEDRO evaluation.

Program Management: During this quarter, the PDA implemented a partial reorganization for the purpose of increasing staff effectiveness by eliminating overlapping functions and transferring greater responsibility and authority to the four regional offices for program implementation. A new division was created in the Lima office to group technical assistance functions for community projects, while delegating to the regional directors implementation authority for these projects. Also, while with Economic Support Centers (CSE) maintain their programmatic autonomy from the regional offices (they must coordinate closely), responsibility for supervising and implementing the productive projects was transferred from the CSEs to the regional directors. The expectation is that this change will increase the role and authority of the regional staff in managing the difficult process of implementing over 38,000 hectares of crops, which has proven both challenging and problematic.

Personnel: A detailed personnel plan was developed for implementation during the remainder of 2005, which will result in staff reductions of close to 45 per cent and the transfer of most short-term staff to indefinite hire (in compliance with Peruvian labor law), unless a position is justifiably short-term. Also, during August the PDA will secure a third party contractor to manage the payroll

for all regional office staff (except the regional directors). This action will result in considerable savings for the project.

Security: The security scenario continues to be complex in the four valleys, causing road blockages and other incidents that contributed to work suspensions and staff evacuation. Given the advent of the electoral year, additional incidents are foreseen, which could delay program implementation.

Key lessons learned this quarter:

- Importance of close field coordination with DEVIDA. The involvement of DEVIDA in the concertación process ensures good buy-in, clout and leads to a fuller partnership during the implementation of project activities.
- Keep close watch over community rosters. The prospects of receiving bonos often attracts non community members or encourages the arrival of community relatives, which inflates rosters and forces paying of bonos to persons extraneous to the community.
- Present a flexible negotiating stance with communities. Some communities are satisfied with just one benefit. Others may be encouraged to forsake the bono in favor of a much desired community project, such as potable water.
- Work closely with municipal authorities in identifying project benefits. Insist on counterpart and community in-kind involvement. Some PDA investments can mobilize significant resources from other organizations.
- Explore for possible communities to include in the voluntary eradication program requires actual inspection of coca field to ensure accurate estimates of existing coca. PDA is experimenting with the use of its GPS systems (used for the land titling). Such measurements should take place prior to inviting the entrance of CADA.
- PDA and USAID staff should be discuss, clarify and possibly modify the current relationship and operating procedure with CADA.
- Time and effort will be required to fully implement the reorganization and delegation plan to the regional offices. The regional offices will require assistance in exercising their newly delegated authority.
- Intervention areas and the 2006 plan of action should be in place by the end of 2005 to ensure proper planning and avoid rushing activities to meet objectives.
- The role of project socializers must be enhanced and professionalized. Socializers should have responsibility for specific territory during the entire PDA intervention period. They should establish close working relations with local authorities and leaders, particularly of producer organizations. Activities should focus on capacity building and helping communities to access resources from other institutions.

CHAPTER I: CONTEXT AND CHALLENGES

A. Introduction

Throughout the course of development of PDA activities, it is important to constantly analyze the context in which these are being carried out and examine the way in which the challenges affecting security are being addressed. In this context, the program takes action to monitor security in PDA areas of intervention; prevent risk situations that could potentially affect regional activities; provide information on the political and social situation of the area in order to support PDA decision-making and offer ongoing preventive security training to all staff. The following paragraphs analyze the general framework for the April – June 2005 quarter and the situational conditions of the coca basins located within PDA's areas of intervention.

B. General Socio-Political Framework for the Quarter

During the reporting quarter, activities of the National Association of Peruvian Coca Producers (CONPACCP) were mainly geared towards organizing the Indefinite General Strike (*Huelga General Indefinida*, hereafter 'HGI'), designed to pressurize central government into finding a solution to the coca leaf problem. The catalyst driving the HGI, was CONPACCP's opposition to the interdiction measures being carried out by the PNP and CORAH in Tingo Maria, Aguaytía and Tocache. Naturally, these interdiction measures affect the political interests of the more influential coca-basin leaders as well as the economy of coca-growers in the region. The HGI organized by CONPACCP however, was not supported by all of the coca basins. Coca growers of the Monzón Valley for example, did not take part in the strike. Indeed, the clear disagreement among the different coca-leaders led Iburcio Morales (Secretary General of the Coca Growers' Association of the Monzón Valley) to explicitly declare the withdrawal of his organization's support to the HGI, on grounds that it was in fact a politically-motivated manifestation.

The outlook for PDA activities in the Tocache, Juanjui and Chazuta coca basins is favorable. Sendero Luminoso has strengthened its presence in Tingo María and Aguaytía (evidencing alliances to narcotrafficking). This, coupled with the already existing and ongoing threat against alternative program officers, make this area particularly vulnerable for PDA to develop its activities as normal. Finally, in VRAE, FEPAVRAE maintains its political force thanks to its widespread acceptance in the region. Despite this, the occurrence of active FEPAVRAE strikes and problems were reduced somewhat during this last quarter, probably as a reflection of a cutback in PDA activities. At the end of the quarter, the Federation dedicated its efforts towards discussing whether or not to support the HGI and to organizing a 48-hour Coca-Growers' Strike. The outlook for carrying out PDA activities in this area next month appears favorable.

Local political authorities in each of the valleys play an important role insofar that their acceptance or rejection to alternative development is key to the normal development of PDA activities.

C. Situational Analysis of the Coca Basins

C1. Regional Office of Aguaytía

- **Socio-Political Situation**

There were two (2) major strikes this quarter. The first was a strike organized by the Coca Growers' Association of Padre Abad (AAAPHCPPA) to express their objection against: the violent confrontations which took place in Santa Rosa de Mishollo, District of La Pólvara, Province of Tocache, between the PNP and coca growers. These occurred during the coca eradication efforts and resulted in a number of wounded farmers. The second strike was the coca-growers' Indefinite General Strike (HGI) organized by the National Association of Peruvian Coca Producers (CONPACCP) who demanded the immediate cease of all coca-crop eradication measures, in addition to the withdrawal of DEVIDA and PDA from the coca basins, among other demands. Both strikes forced the PDA to interrupt its field activities.

- **Subversive Situation**

Sendero Luminoso continued to make its presence felt in the region and militants stood guard along the roads and overnight stops in the city of Aguaytía and in villages such as Chancadora, Previsto in the District of Irazola, Santa Rosa, Rio Lobo and Valle del Shambillo, all located within the Province of Padre Abad.

Sendero Luminoso intensified its propaganda activities to celebrate Heroism Day (June 19) in the city of Aguaytía, where it organized a march to celebrate the Armed Struggle and distribute flyers. A few placards appeared posted in the district of Campo Verde (between km 15 and 34), threatening Consorcio Neshuya, a company charged with constructing a stretch of road in that specific area.

PDA activities were unaffected. There have been no direct threats against PDA during this quarter.

- **Situation of Common Delinquency**

Armed robbery by organized gangs is an everyday occurrence along the Federico Basadre highway. The National Police Force does nothing to enforce the law and has no action plan to fight against these delinquents, except detain passenger vehicles to identify potential suspects.

- **Situation of Narcotrafficking**

The CORAH program for forced eradication carried out a series of operations to eradicate coca crops in the district of Campo Verde. The villages most affected by these eradication measures were Nueva Tunuya, Los Ángeles and El Trigal.

C2. Regional Office of Tocache

- **Socio-Political Situation**

Continual road blocks along the Fernando Belaunde Terry highway caused a critical momentum in terms of the socio-political situation. These road blocks engineered to cut-off the city of Tocache, grouped together both rice farmers (who gathered the entire San Martín Region) and coca-growers, and were directed by Nancy Obregón Peralta, the influential coca grower leader who is invariably driven by her own political and economic interests. Moreover, we suspect that there is a strategic narcotics-related plan regulating these road blocks: when road blocks occur in the specific Santa Rosa de Mishollo area, in the district of La Pólvara, Province of Tocache, it means that narcotics are being exported. In other words, road blocks serve to divert attention and resources to the problem area, so that narcotraffickers can have the way clear to export their narcotics. Previous operations have closed down 16 cocaine paste laboratories in this area.

A 48-hour strike took place, gathering all of the Jaunjui work syndicates who demanded paving of the Fernando Belaunde Terry (FBT) highway. This was a politically driven manifestation. Socio-political tensions in the region have since subsided (after the strike), so much so in fact, that the HGI went practically unnoticed in Juanjui, Tarapoto and Chazuta. Despite Tocache having been cut-off by the HGI's road blocks, which means that supplies are scarce and the prices of basic products have increased, Tocache's inhabitants on the whole, do not support the HGI.

PDA activities in Tocache have been restricted, but work continues to be done as usual in our Juanjui and Chazuta liaison offices.

- **Subversive Situation**

Terrorist activity escalated during the reporting quarter. Three (3) PNP helicopters were targeted and attacked by terrorists who were helped by local inhabitants, while they were carrying out interdiction measures near Alto Huanuco, Nuevo Progreso. Terrorist squads continue to move along the frontier with the department of Huanuco, especially around the villages of Puerto Megote, Manteca, Alto Uchiza (in the province of Tocache) among others.

- **Situation of Common Delinquency**

Armed robbery along the Fernando Belaunde Terry highway not only continues but has escalated since our last report. The National Police Force does nothing to stop this.

- **Situation of Narcotrafficking**

The Anti-Narcotics Police and CORAH made positive headway by inflicting serious blows to narcotraffickers by locating and destroying maceration pits, confiscating

chemical inputs and eradicating coca crops in the areas of Santa Rosa de Mishollo and Puerto Pizana. Coca-growers immediately responded to this by protesting, blocking roads and organizing the Indefinite General Strike (HGI) which began on June 27.

C3. VRAE Office

- **Socio-Political Situation**

Internal division at FEPAVRAE's leadership level has marked the last three months. This explains why coca growers in this area have no longer taken part in meetings or in the more recent marches to protest against alternative development related entities and to demand their withdrawal from their region. No significant marches opposing PDA were reported during this period.

SUTEP, the teachers' union, organized a teachers' strike which included the participation of the Confederation of Peasants of Peru (CCP) and the Agrarian Federation of Ayacucho (FADA), and found echoing support in San Francisco. VRAE did not support the coca-growers' HGI summoned from Tingo Maria. It did however begin preparations for the 48-hour Coca-Growers' National Strike programmed to take place at the beginning of July.

- **Subversive Situation**

A squad of about 10-15 Sendero Luminoso militants are constantly moving around the Vizcatán area, which is considered to be the pivotal point from which terrorists move into the VRAE, Mantaro, San Martín de Pangoa – Junín, Sello de Oro de Santa Rosa, Tambo La Mar-Ayacucho and Huanta annex areas to stir-up the population and make terrorist propaganda against coca-crop eradication efforts.

Their activities are geared towards undertaking propaganda actions, recruiting new members to their cause, and defending the interests of narcotrafficking organizations by protecting and supporting coca-growers. Generally speaking, this period has seen fewer terrorist attacks, but although they have been reduced, they have been better organized and more effective than before. Propagandistic activity during the "Heroism Day" (June 19) was particularly effective.

- **Situation of Common Delinquency**

Assaults along the Tambo- La Mar road and in the Anco sector of San Miguel have increased; this is predominantly due to narcotrafficking and gang activities.

- ***Situation of Narcotrafficking***

VRAE is considered to be one of the major coca growing areas with the highest volumes of drug production. Its main production centers are located in San Francisco, Santa Rosa,

Marintari, Palmapampa and Pichihuilca in the Province of La Mar, and in Mayapo, Lohegua and Sivia in the Province of Huanta.

Operations to locate and destroy cocaine paste laboratories were stepped-up. We did not carry out any coca leaf eradication operations in this area. Narcotics seizures in this area have only been minimal.

C4. Regional Office of Tingo María

- **Socio-Political Situation**

Coca-growers' organizations' protests continued throughout the reporting quarter, mainly as a response to coca crop eradication operations co-executed by CORAH and the Anti-Narcotics Police. PDA's activities were partially suspended during those days.

The coca-growers' organizations in the Upper Huallaga are showing signs of division. Some are led by Elsa Malpartida whose image as a coca leader has definitely suffered in the eyes of many coca-growers; while others are led by Ibuncio Morales, who is the Monzon Valley's coca-grower leader and firmly demands the resignation of Elsa Malpartida and Nancy Obregón so that he can unify the coca-basins under his sole leadership, while also standing firm in wanting to direct his actions of struggle and protect independently. Every march or strike shows they he is progressively achieving a wider acceptance. The beginning of the Indefinite General Strike has created a climate of social and economic instability.

- **Subversive Situation**

During this quarter and as a preamble to celebrating XXV years since the beginning of the armed struggle promoted by Peru's Communist Party (PCP) Sendero Luminoso, all subversive, propagandistic, and armed activities designed to agitate the population have been significantly stepped-up by raiding towns and villages. Since these terrorist activities are apparently linked to narco-trafficking terrorists also take it into their hands to incite anti-coca eradication feelings through their subversive propaganda. Attacks against members of the police force responsible for eradicating illegal coca-crops and an attack against the NGO Prisma located in Aucayacu were reported. Propagandistic and agitating activities have also been reported in various parts of the Province. A number of local authorities have received threats warning them not to sign any agreements with the PDA. In view of this heightened terrorist activity, the Office of the Commissioner for Peace has formed a working group to address this problem.

- **Situation of Narcotrafficking**

The National Police Force, through the Anti-Narcotics Directorate, has taken a series of interdiction actions in the different areas, and has managed to eradicate cannabis, poppy and coca-leaf plantations. Cocaine sulfate, cocaine paste (PBC), chemical inputs and PBC processing instruments were seized and maceration pits were destroyed. Coca leaf prices experienced a slump as a result of these interdiction efforts and also due to the fall in demand.

- **Situation of Common Delinquency**

This has not changed since the previous quarter, although now, even police officers are victims of assault and armed robbery. Five Anti-Narcotics Police officers who were traveling by road were attacked and robbed of their firearms.

D. Lessons learned

- Communication must be improved and upheld with the different areas of work.
- Claims and concerns expressed by the communities forming part of the program must be followed-up.
- Field work to be carried out by PDA staff in the different regions needs to be coordinated in order to ensure security.

E. Work Plan

- Summon all regional coordinators to establish future action in the area and guarantee the implementation of PDA activities and operations in each of the areas.
- Update Security's Plan of Action so as to address the risks inherent to each of the regional offices.

F. Recommendations

- The National Police Force needs to continue locating and destroying maceration pits and stop drug processing.
- CORAH should continue with the forced eradication of illegal coca crops.

G. Constraints

- Although there is notable improvement regarding the fulfillment of the production and infrastructure projects, it is still necessary to maximize efforts in these areas to comply 100% with the agreements.
- We need to improve our monitoring work to strengthen PDA-beneficiary communities, thus consolidating PDA, and turning them into role-models for other new units of intervention.

H. Next Steps

- Review the Security Coordinators' Work Plan together with the new Security Management.
- Visit and inspect each regional office.

CHAPTER II: SOCIALIZATION

In the reporting period, the Socialization Area concentrated its efforts and actions towards consolidating the application of the new approach in the regional areas of Tocache and Aguaytia; on eradicating the remaining balance of coca crops and on continuing with the "control" in communities with non-declared coca crops. Contact was made with the district authorities of Sauce and Shapaja to enter these communities under the new approach and to incorporate them into the PDA. Likewise a frame agreement was signed with the Development Unit of Bajo Huallaga 1.



A.1. COMMUNITY NEGOTIATIONS PROCESS

- **Regarding the New Approach (Multi-community):**

The territorial areas comprised within the Aguaytia and Tocache Regional Offices appear to be more open to accept PDA activities compared with those of Tingo Maria and the VRAE. The social, political, and security conditions and the interest of the communities to participate in the Program provide them with an acceptable degree of viability as work scenarios for the new approach.



One can see the results of the negotiations in seven (07) communities which make up the Development Unit of Bajo Huallaga 1 (Tocache Region), with a participating population of 751 families. In this Territorial Unit, the Quantitative and Qualitative Diagnostic, the signing of the CADA Measurement Charts, the Integral Negotiations Development Plan, and the signing of the Frame Agreements

have all been completed (07). Coca crop eradication measures are currently being carried out.

- **Regarding the Old Approach, (R379):**

Activities were geared towards persuading communities who still have coca crops to switch to licit alternative development activities before they are targeted for eradication. These efforts resulted in programming forced intervention in 39 communities, out of which twenty-four (24) are communities who no longer support the PDA and are located in the VRAE. Twelve (12) communities have finally agreed to eradicate their coca crops. CADA will check whether this has been done in July.

Sensitizing activities for the "control" visits continued in the Aguaytia area. Last quarter, the work fronts included the communities of Tocache. The results of community negotiations for coca crop reductions and controls showed that 352 families still have coca crops. A large percentage of these negotiated the application of the control.

NEGOTIATION COCA-CROP BALANCES AND CONTROLS: PARTICIPANTING FAMILIES					
REGIONAL OFFICE	PROGRAMMED FOR 2005	JAN-MAR	APR-JUN	JUL-SEP	OCT-DEC
AGUAYTIA	506	166	121	219	0
T. MARIA	13	0	0	13	0
TOCACHE	475	125	0	350	0
VRAE	332	0	231	101	0
TOTAL	1326	291	352	683	0

A.2. IMPLEMENTATION OF THE NEW APPROACH.

Six steps make up this process:

1. Socio-Economic Diagnostic: This consists in gathering qualitative and quantitative information, so that we can have more statistical information as to population, institutional presence, productive potential, urban and rural equipment, data revealing coca crops and the willingness to accept the PDA.



Unfortunately, despite its importance, participation was low, so it was decided to complement this initial work by involving the inhabitants of the participating communities of the Development Unit. A quantitative diagnostic has now been completed for 4 Development Units, while a qualitative diagnostic has been completed for 3. The greatest progress was made in the Tocache Regional Office.

2. CADA letters to enter the communities: This step helps to facilitate formal access to the communities to measure coca crops. In the reporting quarter, 3 communities were given CADA letters; 12 communities are still pending.
3. CADA Measurement: Coca crop measurements in the Bajo Huallaga development unit report a total of 142.39 hectares. A large part of this was measured in January-February 2005 (130 hectares). At present, and in the reporting period, 10.9 hectares were measured in the development unit of Capanilla, and 12.39 hectares in the development unit of Bajo Huallaga 1. All of this was in the Tocache Region.

In the Aguaytía Regional Office area, it is estimated that out of the total of approximately 226 hectares measured, 111 were measured during the April-July quarter and the rest correspond to previous measurements which were carried out in 2004 and in the beginning of 2005.

Total advancement to date represents 12% of the total objective: **3,070 Hectares.**

REGIONAL OFFICE	PROGRAMMED FOR 2005	JAN-MAR	ABR-JUNE	JUL-SEP	OCT-DEC
AGUAYTIA	1790	* (115)	111	782	782
TOCACHE	1280	130	**23.29	563.36	563.36
TOTAL	3070	245	379.29	1345.36	1345.36

*: This area was measured at the end of 2004 and beginning of 2005.

**: Includes the measurement of 10.9 Hectares in the DU of "Campanilla".

4. Negotiation of the Integral Development Plan: Progress was only made in the development unit of Bajo Huallaga. Negotiations in fourteen Development Units (14) are still pending and shall be held during the course of the year.
5. Signing of the Frame Agreement: Seven (7) agreements have been signed with an equal number of communities making up the development unit of Bajo Huallaga. This represents only limited progress, as the July-December objective is fifteen (15) development units. We shall have to negotiate an average of two units per month to complete the objective by the end of year.
6. Coca-crop reduction: Progress has been on roughly 18 hectares during the reporting quarter, in the development unit of Bajo Huallaga 1.

A.3. RESULTS TABLES WITH STATISTICS FOR THE QUARTER

The table below compares the multi-community approach (currently being applied) to the mono-community approach (applied only in some few cases). Reduction through the first approach produced 18.55 hectares, while reduction

through the latter approach produced 215.52 hectares. The table gives the numbers:

REGIONAL OFFICE	REDUCTION PROGRAM (HAS.)					
	MONO-COMMUNITY OBJECTIVE APPROACH: BALANCES AND CONTROLS	OBJECTIVE OF THE NEW APPROACH: MULTI-COMMUNITY	JAN-MAR	APR-JUNE	JUL-SEP	OCT-DEC
AGUAYTIA	311.38	1790	101.95/0	48.73/0	160.6/782	0/782
T. MARIA	1.51	0	0/0	0/0	1.51/0	0/0
TOCACHE	141.99	1280	60.45/0	0/0	81.54/0	0/0
VRAE	4.39	0	0/0	4.39/18.55	2.21/563.36	0/563.36
TOTAL	459.27	3070	162.4/0	53.12/18.55	245.86/1,345.36	0/1,345.36

A.4. CONTROL PLAN AND COCA CROP BALANCES.

- Balances: Out of a total of 65 communities with coca-crop balances at year-end 2004, pending balances in 11 communities have been completely eradicated during the Jan-March period. In the April-June period, we eradicated coca crop balances in 9 additional communities and negotiated with 6 communities in Tingo Maria to enforce a zero-coca objective.

The 39 communities opposing coca crop reduction (made up by 24 communities who have rejected reduction in VRAE and 15 communities who are reluctant to reduce their coca crops) will be penalized according to the sanctions stipulated under the Frame Agreement and targeted for forced eradication. This fact has already been reported by USAID to DEVIDA.



In this context, it is the Regional Office of Aguaytia that has shown the best results due to the fact that it has persuaded 17 communities to reduce their remaining coca crops out of a total of 18 communities in this area.

REGIONAL OFFICE	No. OF COMMUNITIES WITH COCA CROPS	ADVANCE OF COCA-CROP REDUCTION : JAN-MAR	ADVANCE OF COC-CROP REDUCTION : APR-JUN	FOR PROGRAMMED REDUCTION: JUL-SEP
AGUAYTIA	18	10	7	1
T. MARIA	19	0	6*	13
TOCACHE	2	0	1	1
VRAE	26	1	1	24
TOTAL	65	11	15	39

*: Committed to reduce



- Control efforts have achieved the highest eradication of coca hectares (60%); 215.52 or more hectares had already been eradicated during the

January-June period. The objective of this plan is to eradicate a total of 459.27 hectares of coca crops by September. Progress made during the April-June period was moderate, (40 hectares).

A.5. SITUATIONAL STATUS OF THE COMMUNITIES

- On the basis of monitoring alerts, 65 communities were detected to have failed to comply with eradicating their remaining coca crops. Of these, 14 now form part of the group of coca-free communities and 12 have stated and evidenced a willingness to reduce. This means that 40% have opted for gradual and negotiated reduction. Sensitizing the population through adequate messages has greatly contributed to these results. Sixty (60) per cent are communities rejecting reduction.

A.6. CONSTRAINTS

- There are three constraints related to the application of the new approach:
 - The measurement method is too time-consuming and the measurement results are too far off from the estimated figures;
 - Coca crop estimates for the communities comprising the development unit are significantly different from the areas officially measured by CADA. A first hypothesis is that coca growers are not

declaring the full amount of hectares of coca plots, and the other, that the data reported by the authorities are intentionally inflated.

- The strategy is weak in that it fails to accurately determine the real number of PDA beneficiaries. Many families tend to divide up the plots amongst themselves and/or close relatives, and this reflects inaccurate low coca crop averages per family unit.
- Unsafe conditions and constant social manifestations against the program are external conditions and events that are beyond the control of PDA's management and affect normal progress of our work. PDA teams have been forced to suspend their activities more and more frequently and for longer periods every time. Protest marches against the program, organized by Coca-Growers' Organizations in the four regional areas, particularly in Tocache and Aguaytia, which are where most of our work is focused, have significantly hindered our advancement.

A.7. RECOMMENDATIONS

- With respect to measurement, we now have a number of strategic plans to overcome the obstacles affecting our work, i.e. the use of satellite imagery. This can then be checked on-site by experts who can also confirm the existence of coca crops declared or reported by community members.
- A final list of beneficiaries must be made by permanently updating it until obtaining the real number of benefited families. This should be carried out by PDA facilitator agents together with the CADA measurement team on the basis of a precise and verified register.
- Resource limitations must be translated into parameters or variables capable of indicating problems in the field so that these may be addressed by the facilitator agents and Regional Offices. These should include: families, coca hectares, number of communities, investments among others.
- An option to be kept in mind that would make investment more efficient and sustainable could be to assign productive projects to the participating communities, and works of infrastructure, to the larger towns.

A.8. LESSONS LEARNED

- The change in approach also implies adapting the intervention procedures and methodologies, especially with regard to the effective measurement of coca crops, identification of problems, solutions to revert the situation and the selection of a better way or alternative to progress towards the planned solution.
- The implementation of a qualitative diagnose for formulating the Development Plan, enables us to identify the interests of the communities and helps us to understand which of the problems the community considers to be a priority.

A.9. PLANNING FOR THE THIRD QUARTER 2005

- During the upcoming quarter (July-September), we will focus on overcoming the above-mentioned constraints as quickly as possible in order to fulfill our annual objectives as well as advancement into new areas for 2005.

CHAPTER III: COMMUNITY PROJECTS

A. Infrastructure

The objective of the infrastructure component is to provide communities that have signed voluntary coca crop reduction agreements with PDA with infrastructure projects that, *inter alia*, seek to:

1. Improve the social and economic conditions of beneficiary populations.
2. Generate employment by utilizing construction firms in the coca areas for the design, evaluation, execution and/or supervision of projects.
3. Provide temporary income in beneficiary communities through labor requirements associated with the construction of the infrastructure works.
4. Increase the degree of interrelation between local, regional and national producers from the respective coca basins.
5. Increase beneficiary community access to local markets by way of improved road and bridge infrastructure.
6. Improve local governance by way of strategic alliances with local governments resulting from construction grants awarded to municipalities.
7. Increase household income in beneficiary communities through sustainable economic activities.
8. Strengthen the institutional capacity of community organizations.
9. Through a spill-over effect from participating communities, increase “buy-in” and as a result broaden program impact
10. Sensitize communities to promote sustainable use of natural resources

A1. Quarter Activities

The infrastructure component is guided by overarching PDA objectives and by commitments derived from community-level voluntary coca eradication agreements. For this reason, infrastructure office activity during the April-June period centers around the following:

- Development of guiding technical principles
- Design of internal procedures
- Technical oversight of project design
- Design evaluation
- Oversight of technical field staff
- Supervision of construction of infrastructure works
- Transfer of completed infrastructure projects to beneficiaries (line ministries, local governments, communities)

Table 1 presents the universe of infrastructure projects at each stage of the project cycle, by target region.

Table 1: Implementation Stage, by Region

Infrastructure Project Cycle	Aguaytía	Tingo María	Tocache	VRAE	Total
Pre-implementation	0	0	0	0	0
In design phase	3	0	5	0	8
In evaluation phase	3	0	0	0	3
Approved/ready for contract award	3	3	0	2	8
In implementation	91	11	18	3	123
Temporarily stopped	5	3	4	1	13
Completed	140	50	69	59	318
Cancelled	0	0	1	13	14
Executed by other institutions	19	1	0	0	20
To be re-formulated	17	0	3	0	20
TOTAL	281	68	100	78	527

Note: This universe of 493 works¹ includes projects in education, health, water, roads, bridges, and others.

Table 2, which presents a breakdown by project type, shows the distribution according to phase of execution (pre-execution, in execution, completed).

Table 2: Summary: Project Status, by Project Type

General Classification	Project Type	Pre Implementation	In Execution	Completed
Educational Infrastructure	Educational centers	5	21	85
	Community Centers	2	27	86
	Community Infrastructure	0	2	4
Community Infrastructure	Steps	0	3	1
	Recreational areas	2	2	15
Water and Sewage	Construction of sewage infrastructure	1	1	5
	Potable Water systems	3	29	46
Health Infrastructure	Health Post	0	6	8
Road Infrastructure	Road Rehabilitation	1	31	31
	Bridge Construction	4	11	17
Economic Infrastructure	Productive infrastructure	1	0	7
	Irrigation channel construction	0	0	2
Electrification	Electrification System Construction	0	3	9
Other	River Embankment Protection	0	0	2
TOTAL		19	136	318

¹ Excluding fourteen cancelled projects and twenty which were executed by other institutions.

Due to revised procedures and office re-engineering implemented last quarter, award and project start-up levels remained high during this quarter. During this quarter, a significant portion of the remaining R-379 commitments were awarded. At the end of the Apr-Jun period only 19 works remain in pre-implementation stage (undergoing project design) while 20 projects require negotiating changes in technical specifications with communities.

In the period between April 1st and June 30th, the infrastructure component awarded 69 construction contracts:

Table 3: Summary of Construction Awards, by Region

Period		Number of Awards (Primary Works)				
		Aguaytía	Tingo Maria	Tocache	VRAE	Total
2005	April	18	5	8	0	31
	May	25	5	6	0	36
	June	1	1	0	0	2
	TOTAL	44	11	14	0	69

Table 4: Summary of Construction Awards, by Project Type

Project Type	Awards			
	2005			
	April	May	June	TOTAL
Classroom Construction	5	4	0	9
Construction of Multiple Use Centers	2	4	0	6
Bridge Construction	3	3	0	6
Potable Water System Construction	8	9	1	18
Community Infrastructure	5	3	0	8
Road Rehabilitation	7	12	1	20
Electrification System	1	1	0	2
TOTAL	31	36	2	69

In addition to construction awards, this quarter saw high levels of project start-ups (63 total) throughout PDA areas of intervention. Following a mechanism designed last quarter, the infrastructure office deployed a new wave of direct-hire supervisors to monitor the timeliness and exercise quality control for the works under execution.

Table 5a: Project Start-Up, by Region

Period		Number of Infrastructure Projects				
		Aguaytía	Tingo Maria	Tocache	VRAE	TOTAL
2005	April	12	1	1	0	14
	May	24	4	3	1	32
	June	5	3	9	0	17
	TOTAL	41	8	13	1	63

Note: This does not include complementary works (bathroom installations)

The projects remaining in the R-379 pipeline (those pending award, those already awarded and pending contracts, as well as those which require specification changes) are programmed for start-up early next quarter.

In addition, the infrastructure office successfully completed a total of 64 projects (excluding complementary works) during the April-June trimester, as shown in Table 5b :

Table 5b: Completed Projects, by Region

Period		Number of Infrastructure Projects				
		Aguaytía	Tingo Maria	Tocache	VRAE	TOTAL
2005	April	5	1	1	1	8
	May	15	1	0	2	18
	June	21	5	7	5	38
	TOTAL	41	7	8	8	64

Note: This does not include complementary works (bathroom installations)

During this quarter, eradication agreements were signed with the communities which make up the geographic unit known as *Bajo Huallaga 1* - representing the first set of auto-eradication agreements signed under the 2005-2006 PDA Implementation Plan. As a result, the infrastructure component began attending new commitments. The four infrastructure commitments made in *Bajo Huallaga 1* (two rice storage & distribution centers, one potable water rehabilitation, and one electrification design) are currently entering design stage.

Moreover, infrastructure staff has been intimately involved in the implementation design for the next geographic unit in the 2004-2005 PDA Implementation Plan (*Shapaja/Sauce*).

Finally, several key internal improvements were made this quarter. Firstly, terms of reference for project design were standardized and improved. Although these ToR will

continue to undergo modification, the current set incorporates all of the lessons learned to date and significantly improves the quality of design RFPs. Secondly, project baseline prices, based on historical PDA data, were established and will enormously facilitate the work of PDA negotiation teams. Thirdly, the infrastructure office began systematically conducting field visits which have already resulted in many improvements. Fourthly, several key changes were made to the office information system in order to facilitate the retrieval of programmatic information related to construction schedules. Through an automated alert system, Infrastructure is now informed on a weekly basis as to which projects are slightly and/or critically behind schedule.

A2. Lessons learned

- Standardizing terms of reference for project design greatly improves design quality.
- It is critically important to effectively delegate authority and responsibility to regional offices.
- Past performance and stricter contractual tools improves project implementation.
- On-site visits are key in ensuring community satisfaction and sub-contractor compliance.
- Direct-hire supervisors greatly outperform those contracted via engineering firms.

A3. Recommendations

- Infrastructure staff should be involved from the outset in the planning of PDA intervention in new geographic units.
- Continue the use of direct-hire supervisors.
- Improve the grant agreements signed with executor-municipalities to insure, among other things, timeliness of construction, compliance with environmental requirements, timely payment of local labor
- Establish a performance database for municipal governments to red-flag those with lackluster performance and non-compliance issues.
- Continue to perform evaluations of project implementation in order to identify shortfalls and determine best practices.
- Additional technical responsibility (and accountability) should be delegated to regional office staff.

- Increase the amount of on-site inspections.

A4. Constraints

- Inability of sub-contractors to comply with established work schedules.
- Social protests and organized coca producer strikes (*paro cocalero*) restrict access to PDA areas.
- Heavy rains negatively affect construction progress.
- Deficiencies in design specifications.
- Administrative processes continue to produce bottlenecks.

A5. Activities for next quarter

The activities for the upcoming quarter include:

- Start-up remaining R-379 commitments
- Complete the bulk of R-379 commitments.
- Monitor and track implementation of projects underway in order to ensure technical, environmental, and timeline compliance.
- Implementation a process manual for PDA Regional Offices.
- Training of regional PDA staff.
- Participate in the design of PDA 2005-2006 intervention strategy by geographic unit.

Center for Economic Services (CSE)

Executive Summary

CSE's core function is to design and implement legal economic activities, as part of its efforts to comply with the commitments undertaken under the Frame Agreements entered into by DEVIDA and the communities. These economic activities must be oriented towards creating sustainable jobs and incomes so as to progressively reduce illegal coca crops.

In order to achieve this, we begin by analyzing the demand and then gradually foment the conditions required to establish competitive businesses engineered to actively involve private enterprise, farmers and their productive organizations, while adhering to environmental regulations and the optimum use of financial resources. All this serves to create a climate of trust and attract private investment in the areas of alternative development.

Our goal was to have installed a total of 38,032 hectares of crops to benefit 30,715 families by June 31, 2005. Of these, 6,460 hectares were successfully installed during the campaign, and we have begun the fieldwork on the remaining 31,572 hectares out of which 29,942 hectares are being benefited by technical assistance services. The remaining 1,630 hectares will be attended between July and August 2005. The crops installed are: cocoa (18,052 ha), coffee (3,451 ha), cotton (5,095 ha), corn (2,271 ha), oil palm (2,407 ha), grasses (4576 ha) and bananas (1,140 ha) among others.

This has been the most difficult challenge of the quarter. It is gradually being consolidated with the participation of 17 Producer Organizations who are actively implementing the grant agreements and 10 private companies who have pledged to provide technical assistance. Moreover, this is all carried out in an environment of constant protests and social unrest orchestrated by coca growers and their leaders who seek to discredit PDA and other institutions involved in alternative development projects.

Business development is another important part of CSE's work. PDA's CSE is responsible for providing information, access to markets and technical assistance so that they can solve the particular problems adversely affecting the businesses. We are currently working with over 30 companies who are selling the production in Lima's leading supermarkets (Wong, Metro, Santa Isabel), wholesale markets and other companies engaged in exporting cocoa and coffee.

Production and business projects are gradually improving their rate of development; however, there are still a few problems and demands from a minority group. We will no doubt overcome them in time.

During the next month we will focus on continuing to implement all of the productive activities and to support business development, with more farmer/private sector participation in order to guarantee investment sustainability and ensure that the switch from illicit to licit economies on the part of beneficiaries, endures.

B. Results

During the April – June 2005 period, the CSE developed a series of organization and planning activities related to productive and business projects, directly benefiting 30,715 families within PDA's area of intervention. The following sections summarize the results.

B.1. Planning and Organization

CSE (central office) and the 4 Sub CSE's (regional offices: Aguaytia's, Tango Maria, To cache and VRAE) work in close coordination at all levels, and with DEVIDA, the PRA Project, MINAG, Producer Organizations, recipients, subcontractors and private companies. Main activities implemented in the reporting quarter included:

- Formulating productive projects to attend to the commitments contracted under the frame agreements and negotiating with private companies and beneficiaries for the implementation of productive activities and businesses.
- Subscribing grant agreements and subcontracts for the provision of technical assistance services for the on-site implementation of productive projects² and businesses³.
- On-site monitoring and supervision to evaluate the implementation of productive projects and assess the advancement of the business projects.
- Negotiating with PRISMA and COPEME for the administration of the Trust guaranteed by the DCA and Rural Savings Banks.
- Providing training courses on the importance of complying with environmental rules and regulations in Tocache, Tingo María and Aguaytía.
- Updating and maintaining the data entered into the M&E PDA and PRA Project (sales, jobs and investment).
- Training CSE staff on the business focus, on PEA compliance, on the focus of intervention and on Plan 2005.
- Identifying new business opportunities, coordinating meetings with businesspeople and promoting strategic alliances.
- Developing commercial pilot plans to develop businesses related to the production of rice in Tocache and VRAE, and oranges in Juanjui, among others.
- Working jointly with the areas of Socialization and Communications to improve customer attention to the farmers while promoting the work of the PDA.
- Supporting the implementation of Plan 2005 in the Yarina, Sauce, Shapaja and other units currently under development.

B.2. Global objectives, progress made and outlook

PDA's objective as of June 2005, was to implement a total of 38,032 hectares benefiting 30,715 families, as is shown in the Table below:

Table 1. Balance of N° of programmed / installed hectares and beneficiaries as of June 2005

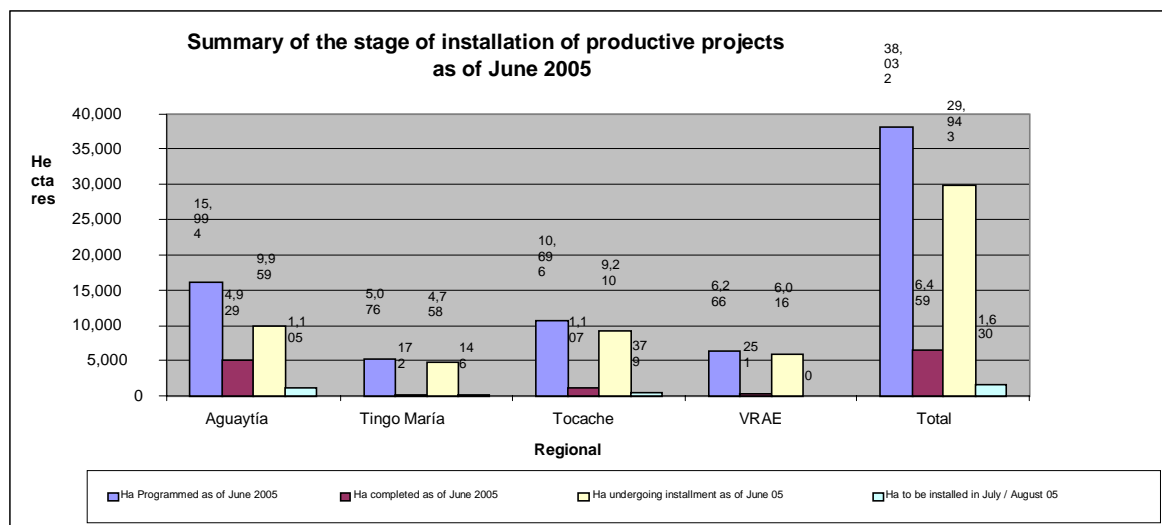
CSE	N° of beneficiary families	N° of programmed hectares as of June 05	N° of hectares completed as of June 05	N° of hectares undergoing installation as of June 05	N° of hectares to be installed in July /August 05
Aguaytía	11,758	15,994	4,929	9,959	1,105
Tingo María	4,183	5,076	172	4,758	146
Tocache	10,465	10,696	1,107	9,210	379

² These are attended to through grant agreements entered into with producer organizations and through Technical Assistance subcontracts which are primarily executed with private sector companies.

³ Realized on the basis of business plans, per client (private company) and by product.

VRAE	4,389	6,266	251	6,016	0
Total	30,795	38,032	6,459	29,943	1,630

As of June 2005, advancement is 96 % out of the total hectares programmed (38,032). The remaining 1,630 hectares (4%) will be installed during the July-August 2005 period at the very latest. Our attention to productive projects is focused mainly to those in VRAE (100%), followed by Tingo María (97%), Tocache (96%) and finally Aguaytía (93%).



For the reporting period, we have 39 grant agreements and 11 subcontracts for the provision of technical assistance, as shown in Table 2 below. The grant agreements involve the participation of 17 beneficiaries: 8 in Aguaytía, 4 in Tingo María, 3 in Tocache and 2 in VRAE.

Table 2. Summary of Grant Agreements and Subcontracts for Technical Assistance in force as of June 2005

Regional Office	Grant agreements and Subcontracts for TA effective as of June 2005		Observations
	Nº of Grant Agreements	Nº of Subcontracts for the provision of Technical Assistance (TA)	
Aguaytía	14	6	The TA Subcontract with Cooperativa La Divisoria focuses on coffee in Aguaytía and Tingo María; the TA Subcontract with Export Sierra y Selva SA, focuses on cocoa in Aguaytía, Tingo María and Tocache.
Tingo María	11	2	
Tocache	7	1	
VRAE	7	2	
Total	39	11	

Working with these producer organizations has helped to strengthen PDA's social base. Despite this, these organizations are still very weak⁴. In view of this, it was decided to define and implement an institutional strengthening program with the support of Acción

⁴ With respect to organization and management.

Sin Fronteras, as from August 2005. The beneficiary organizations were given courses on how to keep and manage the funds provided to them by grants. General administrative and technical support was also provided.

Technical assistance is also being provided by 10 business organizations:

- 3 private companies: Exportaciones Sierra y Selva, Patt Fresh , Multiagros EI SAC,
- 2 producer consortiums: COPPU and COPASO
- 3 agrarian co-operatives: Cooperativa Agraria Cafetalera La Divisoria, Cooperativa Agroindustrial Tocache and Cooperativa Agraria Cafetalera Valle Río Apúrimac
- 2 community companies: Ecomusa Von Humboldt and Ecomusa Unión y Trabajo.

B.3. Productive activities concluded as of June 2005

Approximately 6,460 hectares of crops were installed during the reporting period. These included 4,370 hectares of cotton, 1,587 hectares of corn (1107 in Tocache, 330 in Aguaytía and 150 in Tingo María), 251 hectares of peanuts in VRAE and 130 hectares of grasses in Aguaytía, involving a total of 4,572 farmers.

Table 3. N° of hectares of crops installed during the quarter

Area	Total		Crops
	Hectares	Farmers / Beneficiaries	
Aguaytía	4,930	2,970	cotton, camu camu, corn, grasses
Tingo María	172	216	corn, papaya
Tocache	1,107	1,107	corn
VRAE	251	279	peanuts
TOTAL	6,460	4,572	

Cotton, peanuts and corn crops now form part of the chain of businesses being developed in this farming campaign. The cotton projects are being carried out with ACUDE, Plan Ucayali SAC and Caja Rural Señor de Luren; peanut projects are helped by Multiagros Import Export SAC, Química Suiza and Misti, among other companies.

B.4. Ongoing productive activities

This quarter we have supported the installation of 29,942 hectares of crops. Out of these, only 14,929 receive technical assistance, because they were installed during the 2003/04 campaign, while the remaining 15,014 being installed as part of the present campaign, receive support in the form of inputs and technical assistance.

The greatest extension of land is located in Aguaytía (9959 hectares), followed by Tocache with 9,210 hectares, VRAE with 6,016 hectares and Tingo María with 4,758 hectares; benefiting a total of 25,116 farmers throughout the 4 valleys. Main crops include: Cocoa 17,673 hectares, coffee 3,451 hectares, grasses 4,456 hectares, banana

1,125 hectares, cotton 725 hectares, oil palm 1,335 hectares, corn 651 hectares, among other crops.

Table 4. Crops planted and receiving technical assistance as of June 05

Type of crop	Total		Aguaytia		Tingo María		Tocache		VRAE	
	ha	beneficiaries	ha	beneficiaries	ha	beneficiaries	ha	beneficiaries	ha	beneficiaries
Cotton	725.00	725.00	725.00	725.00						
Cocoa	17,673.00	15,537.00	3,455.00	2,988.00	1,798.00	1,825.00	8,200.00	7,969.00	4,220.00	2,755.00
Coffee	3,451.50	3,094.00	600.00	620.00	820.75	884.00	260.00	260.00	1,770.75	1,330.00
Heart of palm	118.00	118.00	118.00	118.00						
Corn	651.00	651.00			102.00	102.00	549.00	549.00		
Oil palm	1,335.00	267.00	1,335.00	267.00						
Grasses	4,446.00	2,884.00	2,724.00	2,310.00	1,722.00	574.00				
Banana	1,125.00	1,095.00	975.00	913.00	150.00	182.00				
Pineapple	26.75	103.00	26.75	103.00						
Citrics	144.00	195.00			144.00	195.00				
Rice	201.00	201.00					201.00	201.00		
Peanuts	25.00	25.00							25.00	25.00
Bean	21.00	21.00			21.00	21.00				
*Rice mills		200.00	4.00	200.00						
TOTAL	29,942.25	25,116.00	9,958.75	8,244.00	4,757.75	3,783.00	9,210.00	8,979.00	6,015.75	4,110.00

*Rice mills: 4 machines have been implemented in 4 communities for 200 beneficiaries. Not counted as hectares.

A total of 262 people provide technical assistance to these 29,942 hectares of crops. These people are co-coordinators, extensionist agents and peasant promoters hired by the private companies involved, and their job is to instruct farmers how to install and manage their fields efficiently and obtain higher yields.

Table 5. Summary of extension of crops and staff providing technical assistance.

CSE	Hectares of crops receiving technical assistance	Technical assistance staff			Total
		Product coordinator	Technicians / extensionist agents	Peasant promoters	
Aguaytia	9,959	7	38	51	96
Tingo María	4,758	5	22	0	27
Tocache	9,210	7	26	61	94
VRAE	6,015	6	28	11	45
Total AT PDA	29,942	25	114	123	262

Technical staff is dedicated mainly to cocoa crops: 151 people are dedicated to providing assistance to cocoa crops (57% of the total number of technical assistants). All technical assistance staff is supported and supervised on-site by CSE personnel.

B.5. Development of productive activities pending as of June 2005

We will be installing 1,630 hectares of crops in July and August 2005. These will be distributed as follows:

Table 6. Hectares of crops to be installed between July and August 2005

Type of crop	Total		Aguaytía		Tingo María		Tocache	
	ha	beneficiaries	ha	beneficiaries	ha	beneficiaries	ha	beneficiaries
Cocoa	379.50	380.00			0.50	1.00	379.00	379.00
Corn	33.00	33.00	33.00	33.00				
Oil Palm	1,072.00	511.00	1,072.00	511.00				
Banana	15.50	31.00			15.50	31.00		
Pineapple	3.13	25.00			3.13	25.00		
Citrics	127.00	127.00			127.00	127.00		
TOTAL	1,630.13	1,107.00	1,105.00	544.00	146.13	184.00	379.00	379.00

In order to install oil palm, which accounts for the greatest extension of land (1072 hectares) and represents 66% of the total area in Aguaytía, an agreement was signed with Oleaginosas Amazónicas SA (OLAMSA), in June to import seeds from CIRAD (Centro de Cooperación Internacional e Investigación Agrícola para el Desarrollo) in France.

B.6. Business development

CSE's business development projects are closely coordinated with the PRA Project on the basis of specific objectives. These are:

Table 7. Sales, jobs and investment objectives / CSE PDA Oct 04 – Sept 05

Sub CSE	Sales (US\$)	Jobs (Wages)	Investment (US\$)
Aguaytía	1,100,857	122,701	110,985
Tingo María	594,063	66,214	59,892
Tocache	1,534,189	171,000	154,672
VRAE	929,332	103,583	93,692
Total CSE	4,158,441	463,498	419,241

CSE has prioritized the preparation of business plans and their development in communities that are signatories to the frame agreement. At present, these businesses involve 268 signatory communities and most of these companies have by now achieved 60% of sales projected for this quarter. We expect to be able to attain our final objective by the end of the year, as it is now harvest time for coffee and cocoa, while cotton sales are expected to begin in August and September.

Table 8. Main clients, products, sales projections and business environment

CSE	Client companies	Main products used to develop businesses	Projected sales as of Sep 05	N° of signatory communities in which clients develop businesses
			Median Scenario	
Aguaytia	Plan Ucayali, COPASO, COPPU, APPSHA, CAC La Divisoria, Exportaciones Sierra y Selva, ASPASH.	Algodón, Plátano, Café, Palma, Palmito	1,100,857	110
Tingo María	Flores del Huallaga, Patt Fresh, Exportaciones Sierra y Selva, Envasadora bella Durmiente, Ricardo arellano, Rolando Chambego, CAC La Divisoria	Flores, Plátano, Cacao, Café, Agua rehidratante, Papaya, Piña, Fréjol.	465,089	40
Tocache	APA Fray Martín, Cooperativa Tocache, Exportaciones Sierra y Selva, Inversora diego, Algodonera Juanjui, Romero Trading	Cacao, Arroz, Fibra de Algodón.	949,732	62
VRAE	CACAO VRAE, CACVRA, Multiagro, Grano de Oro, Botanical Product, APLAVRA, LOPESA.	Cacao, Café, Maní, Ajonjolí, Arroz, Kión., Plátano, Palillo, Achiote, Maíz.	851,777	56
Total US\$			3,367,455	268

With respect to the main businesses this quarter, it is important to note that:

- Banana is the crop with the highest sales in Aguaytía, thanks to the work of COPPU who supplies Frito Lay through Prime Trade, who is responsible for the *maquila* process. Monthly banana sales through E. Wong, Metro, Santa Isabel and the Mercado Mayorista de Lima (*Lima's Wholesale Market*) amount to 60MT.
- The work of Patt Fresh focusing on banana crops in Tingo María, is beginning to show results as it is gradually improving the quality and price of its product. It is now stocking up bananas in the same place as these are grown. It also sells its banana produce through Lima's leading supermarkets and through the Mercado Mayorista. This company is also working to improve the quality of its bananas in the field through the technical assistance services.
- CAC La Divisoria has now reached a point where it is beginning to penetrate the difficult and highly competitive special coffees market, for which it has formed a strategic alliance with Multiagros IE SAC and Jungle TEch SAC (a North American company engaged in exporting special coffees) and PDA. This type of alliance is key for this type of business.
- The cotton business which is being carried out with Algodonera Juanjui, works with 10 signatory communities and 4 adjacent communities. It has installed 18 hectares of seedbeds of the "rough white" cotton variety to be planted during the next campaign. This supply would be enough to cover 2000 hectares of land which are currently being certified and are in very good condition, as are an additional 629 hectares of commercial fields to be harvested this July. The plant to process raw cotton is now operative.

- Pilot projects to commercialize rice have been developed in Tocache and Juanjui by putting rice producers in contact with Lima's rice buying companies (Molino La Selva, Inversora Diego). Efforts have also been made to set up orange businesses for the oranges produced by Asociación Gran Pajaten. This has been done by directing the produce to markets and supermarkets located in Chiclayo and Lima. This however, has had its setbacks, since the poor condition of the Juanjui- Tocache road automatically increases the price of freight and therefore leaves only a meager profit. We are presently working on this problem to try and come up with a solution.
- The Sierra y Selva company obtained the best results for cocoa sales (in grain form) in the area of Juanjui. Cocoa farmers in Juanjui are willing to continue working on the installation of organic cocoa, especially during the harvest and post-harvest stages.
- Multiagros purchased a peanut processing plant from Prisma, located in Kimbiri (VRAE). This means that Multiagros can now consolidate the peanut business with 16 signatory communities. Its major challenge now will be to commission the plant and diversify its production of processed peanuts.
- The work being carried out by Grano de Oro in VRAE for the sale of rice in 4-kg bags is quite notable. The communities who sell their rice produce to Grano de Oro are largely located in the Ene area. This company offers credit facilities for the communities to buy the inputs that they require to produce the rice.
- The Cacao VRAE and CACVRA companies, who focus on the coffee and cocoa businesses in the VRAE area, have already begun to ship their first containers overseas. However, production has fallen in the entire VRAE area compared to 2004 levels, and this is causing concern as it is jeopardizing their compliance commitments with mega-buyers such as Starbucks and Jungletech.

Parallel to this work, substantial efforts have been made to boost and continue developing other businesses per CSE.

- CSE Aguaytía continues to develop its cotton businesses with COPASO, ACUDE, and PLAN UCAYALI. It is also involved in two very promising new businesses: stock breeding (for meat) and the papaya business.
- As in Tingo María, the papaya business is threatened by harmful plagues. CSE Aguaytía is therefore working with SENASA to come up with a solution to this problem. Local farmers believe that the papaya problem is associated to the use of chemicals used to spray coca crops.
- CSE Tingo María is working with new clients such as: Flores del Huallaga, Exportaciones Sierra y Selva, Ricardo Arellano and Rolando Chambergó.

Another of CSE's functions is to help businesses by connecting interested signatory companies to the financial system. We have Trusts for this purpose: one with PRISMA and another with COPEME, which work through three rural savings and credit banks (Libertadores Ayacucho, San Martín and Señor de Luren). This form of assistance will be available up until March 2006.

C. Conclusions and recommendations:

C.1. Lessons Learned

- The formation of a Center for Economic Services (CSE) at PDA level as well as the establishment of Sub CSEs in each of the Regional Offices (Aguaytía, Tingo María, Tocache and VRAE), with staff specialized in productive and business projects, has made it possible for us to incorporate a business and market focus that is solid and reliable. This in turn, has set down favorable conditions for the sustainability of the investments made in the different productive activities.
- It is important to prioritize all of the productive activities as part of the socialization, and negotiation processes carried out with communities, prior to signing the frame agreements and addenda. These must first be extensively reviewed by the experts so that they may determine their technical, economic, social, environmental, financial and business feasibility, and in particular consider developing these activities according to suit the farming.
- The productive project formulation stage must consider the following two points as a basis on which to structure the grant agreements and subcontracts for the provision of technical assistance services: i) environmental conditions found during the grassroots environmental assessments, to guarantee compliance of all environmental regulations; and include the final list of beneficiaries; ii) pledge beneficiary contributions and analyze whether or not to continue paying them for their labor as we have been doing to date, in order to ensure that the crops are installed correctly.
- So as to avoid delays in the disbursement of funds and administration problems related to account rendering of grant agreements and subcontracts, it is essential to provide on-site training and accompaniment at each CSE. These delays must be avoided since they affect the quality of the work in the field and set the conditions for social claims and protests.
- It is important to provide permanent and timely information at community level (authorities and population) on the state of the productive projects. People should also be given a detailed summary informing them on exactly what each beneficiary can expect to receive as a means of support during the implementation of their productive projects. This would help to avoid potential problems related to misunderstandings and lack of information, and strengthen PDA's image.
- When formulating business plans, it is important that we correctly identify the problem or constraining factor/bottleneck that we wish to solve. Additionally, we need to specify the action to take, establish the strategy and define CSE and private company contributions to ensure feasibility of these businesses.
- Supervision of productive projects must continue. For this, experts posted at each CSE are supported by field supervisors who visit the communities to check: i) the work and quality of the technical assistance services provided by subcontracted private companies; ii) the timely delivery and adequate use of supplies, materials and tools assigned to them as a support for their farming activities.
- Supervision in the field has helped us to increase our presence in the field and in each and every one of the communities, improving CSE's intervention efforts to implement productive activities.
- The public tender held at national and regional levels for the co-investment of technical assistance services, enabled us to capture the interest of ten companies, who

together are co-investing a total amount of US \$ 844,410. Additionally, PDA has committed to invest US\$ 1,477,400 in technical assistance up until March 2007, to attend to over 28,000 hectares of crops.

- The work carried out by productive project experts, business specialists, environmental and natural resources experts and DEVIDA's technical staff, must be well coordinated to monitor and supervise activities.
- Coordinated action between PDA / USAID / DEVIDA allows us to create alternatives, improve our operational strategies and immediately respond to problems and concerns that may arise during the productive project implementation process.
- In order improve business development, it is fundamental that all PDA personnel share the new approach at the central and regional levels, while continuing to work closely with the PRA Project.

C.2. Constraints

Activities to implement the productive projects and develop business projects in PDA's areas of intervention have to contend with a series of constraints. These include:

- Constant strikes and disturbances organized by coca-growers and their leaders. These create an atmosphere of uncertainty in the area, which in turn: i) affects monitoring and supervision activities in the field, ii) hinders the advancement of productive projects, iii) deters the private sector from investing in the area.
- PDA's main investments in productive projects consider long-term crops whose first harvests are scheduled for after March 2007. In some locations, this long wait is discouraging farmers and some are gradually losing interest in their fields.
- The local media, financed by coca-growers' organizations and related entities, continually broadcast messages opposing PDA activities. This has no doubt helped to exacerbate the existing sense of mistrust and uncertainty in the population, making it even more difficult for us to work and make significant progress in the field.
- Producer organizations and a few of the subcontractor firms, have shown to have limited administrative and management capacities, which is why their work is frequently not submitted on time, particularly when it comes to rendering accounts and preparing technical reports. This in turn affects the timely delivery of the disbursements.
- Some producer associations lack all sense of motivation with respect to corporate management; they are not driven by any sense of ambition whatsoever.

C.3. Recommendations

- Comply and address all of the commitments contracted under the R372, especially regarding the installation of the 1,630 hectares programmed for July and August 2005.
- Support the institutional strengthening program directed at producer organizations, to be conducted with the help of Acción Sin Fronteras.
- Provide a direct accompaniment service to recipients and subcontractors in their respective offices, with an in-house financial auditor, in order to improve efficiency at

the time rendering accounts and complying with administrative procedures and regulations.

- Reinforce the monitoring and supervision plan for productive projects in the field, with the direct participation of field supervisors, productive projects experts, authorities and local leaders.
- Train all CSE personnel, experts, field supervisors and personnel working for recipients and subcontractors responsible for implementing the productive projects (grant agreements, subcontractors) to ensure that they apply and comply with the environmental laws and regulations considered in the PDA.
- Coordinate with recipients and sub contractor firms so that they implement all environmental regulations under the PDA.
- Carry out monitoring and supervision visits to the field together with the DEVIDA's technicians, while maintaining good work relationships.
- Improve the corporate management aspects of companies participating in the implementation of the business projects.
- Define a customer service model for those families and communities who have committed to the PDA but where a business approach cannot be applied, and there is no option but to continue with a subsistence level of farming.
- Design and implement a strategy directed towards the sustainability of productive and business investments, particularly where crops have long vegetative periods, such as is the case of cocoa, coffee, oil palm and others.
- Maintain an adequate level of coordination and communication between the PDA and the PRA Project, both at regional and central levels, so as to strengthen the new business approach.
- Work in close co-ordination with MINAG at both regional and central levels.

D. Main activities scheduled for next quarter

- Actively participate in the design and implementation of the new approach in order to comply with the 2005 work plan and established objectives.
- Finish signing all of the grant agreements and subcontracts for the provision of technical assistance services, so that we may be in a position to address the economic activities pending in 2,260 hectares, apart from whatever results from Plan 2005.
- Finish implementing the grant agreements so that we may fulfill all of the commitments contracted in connection with the productive projects.
- Implement all environmental regulations and the PEA under the grant agreements and technical assistance subcontracts, in coordination with environmental management and the experts assigned to our regional offices.
- Supervise the technical assistance services and the delivery of inputs by private companies.
- Continue with field supervision on objectives assigned by CSE, according to the grant agreements and subcontracts for the provision of technical assistance services.
- Support the institutional strengthening program for producer organizations, together with Acción Sin Fronteras.

- Continue with our efforts related to working with the Trust, with PRISMA and Rural Savings Banks through COPEME, using our own past and present experience as a reference.
- Continue developing businesses on the basis of business plans and with the direct involvement of the private sector.
- Work in close co-ordination with the Sub Directorate of Regional Operations and Technical Support, the different management levels and Regional Management in order to ensure that regional operations performs at maximum efficiency.
- Inform the communities on the implementation strategy, progress of productive projects and the level of investment committed for each type of project, beneficiary and community.
- Disseminate CSE's work focus, both internally in the Regional Offices, in DEVIDA's central and decentralized offices, in other PDA-associated entities and local governments.
- Facilitate access to any information required by any of the parties involved with the PDA.
- Maintain CSE's database updated and functional at all times in the M&E System to expedite managerial decision-making.

Support dissemination activities to improve CSE positioning at regional level and within the business sector.

NATURAL RESOURCE MANAGEMENT

ECONOMIC FOREST ACTIVITIES

Efforts have continued during the reporting quarter to consolidate and complete the economic forest-related activities established as part of PDA's efforts.

Rubber modules are now in full operation in the communities of Sinchi Roca and Puerto Nuevo; a follow-up visit to these projects is scheduled for July. The installation of a rubber producing module at Achinamiza is near completion, but it has come across some technical and political problems, which the PDA intends to solve during the next quarter. With respect to rubber, a contract has been signed with the Asociación Unión y Trabajo to obtain a grant to enable it to complete the implementation of the rubber modules in the indigenous communities of Santa Marta and Unipacuyacu.

Regarding forest management, the procedures for the approval of management plans have been continued, but these have been affected not by forest-related problems, but by title and land tenure problems affecting the communities. This required us to broaden PDA's scope of work in order to support the communities in their efforts to obtain legal titleship of their territories. A company has been contracted to deal with the administrative aspects related to the land titling legalizing process and approval of the forest management plans of the Indigenous Communities of Sinchi Roca, Unipacuyacu and Santa Marta. This was decided upon on grounds that:

1. To approve the Forest Management Plans, INRENA requires that all areas requested for forest management have legal owners and be registered with

- SUNARP. The three communities in question are in different stages of the land titling legalizing processing and lack the financial means and legal counsel necessary to carry out the land titling procedures.
2. The indigenous communities of Sinchi Roca, Unipacuyacu and Santa Marta cannot exploit the forest if INRENA does not approve their respective Forest Management and Annual Operation Plans, so ultimately approval by INRENA is integral to whether or not they can look forward to a future of better living conditions and well being.
 3. By providing adequate legal counsel for the land titling legalizing processing of their territories, and timely assistance with the procedures before INRENA, we can ensure that the indigenous communities of Sinchi Roca, Unipacuyacu and Santa Marta can soon obtain approval of their Forest Management and Annual Operation Plans. The development of forest-related projects would enable the communities to obtain income from the sustained sales of their forest resources; they would provide jobs for non-qualified workmen who could be hired to cut down the trees and take part in the primary transformation stages, and they have the additional advantage of creating other indirect jobs, which would all be centered on a licit and sustainable economy.

A number of meetings have been held with INRENA to discuss the management plans designed for peasant communities and local forests, thanks to the USAID financial support. These funds will be used to contract a consultant to represent the communities before INRENA. This person will be charged with the exclusive task of expediting the approval procedures so that requests to exploit the local forests submitted to INRENA by the PDA and the WWF are granted as soon as possible. The consultant in question will start work during the first days in July.

In spite of the problems related to the approval of the exploitation of the local forests, both the PEA as well as the environmental audit which was carried out underline the importance of establishing these types of management units. This has encouraged us to continue identifying the communities with which to establish exploitation of the local forests in the Aguaytia, Tocache and its surrounding areas.

Regarding the commitments undertaken under the R372 agreements, all of the forest projects with the exception of the installation of the rubber modules in the indigenous communities of Santa Marta and Unipacuyacu, have been fulfilled.

- There have also been some organizational problems in connection with the operation of the management plan and exploitation module in Gosén, but these are being attended to. It is highly important for the future of the project, to support the association by teaching the people in charge how to keep clear accounts and administer operations transparently.
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CHAPTER IV: CROSS CUTTING INITIATIVES

LAND TITLING (PTT)

1. GENERAL OBJECTIVE

In order to fulfill the Frame Agreement entered into with PDA-participants, our objective is to grant possession security to farmers who own rustic properties in the Province of Padre Abad. Our goal is to formalize and obtain titling for 4300 land parcels located in the department of Ucayali.

PDA's Land Titling Project is designed to assist PETT¹ in the process to formalize these properties, by carrying out the technical work under PETT's mutually agreed upon and accepted supervision and standards so that the files may be submitted to PETT for approval and passed on to the next processing stage.



2. WORK PLAN AND PROGRESS MADE April- June 2005 Quarter

2.1 LAND TITLING

- 1,185 pre-registration files have been delivered to the commission made up of OPER – Ucayali members and officers of the Executive and Titling Directorate of the Special Project for Land Titling and Rural Cadastre - PETT, so that they may in turn, continue processing the documents before the respective institutions: INRENA, AGENCIA AGRARIA and SUNARP. The paperwork has now been submitted to SUNARP- Ucayali 415 and the files are currently undergoing a qualification process before being officially registered.
- The communities whose files (1185 total) have been delivered to PETT, lie in areas that are located outside of the Permanent Production Forest (PPF) of Ucayali, while the remaining properties (4,942) are located within the PPF and the Alexander Von Humboldt National Forest (registry regularization is still

¹ In order to obtain the last document required to obtain the property registration certificates, it is necessary to follow a process involving INRENA, Agencia Agraria, INC, El Diario Oficial El Peruano and the SUNARP.

pending for these properties). In order for us to continue with processing all of the paperwork required to officially register land titles for the remaining 4,942 properties, we need to exclude the areas in question first. An interinstitutional co-operation agreement has therefore been drawn up and signed with INRENA, to exclude these areas and validate the classification study for the 4,942 properties.

Table 1: Land Titling Works carried out in the Aguaytía Region

PROCESS	Quarterly progress	Accumulated total to date	%of Progress to achieve the goal
Delimitation using GPS submetric precision tech.	310	6127	142%
Files delivered to PETT	1185	1185	19%
Files submitted to SUNARP – Ucayali	415	415	9.6%

2.2 SUPPORT TO OBTAIN NATIONAL IDENTITY CARDS (DNI)

The Frame Agreement signed in the localities or communities involved in the voluntary and negotiated self-eradication program, offers to provide assistance to undocumented signatories and their families to obtain DNI cards (National Identity Card).

In this context, we continued to provide assistance to undocumented signatories of the Frame Agreement, their families and beneficiaries of the Land Titling Project. Our work consisted in transporting the



undocumented people from their place of residence to the campaign centers, paying the corresponding processing fees to the Banco de la Nación, taking photographs and assuming the cost of acquiring their respective birth certificates.

We have signed a Grant Agreement with the Municipalities of Irazola and Padre Abad to obtain birth certificates for farmers who were never registered by their parents and therefore do not have and cannot get their birth certificate. Birth certificates are an essential requirement for requesting and obtaining the DNI. One hundred and twenty seven birth certificates have been obtained to date.

Table 2: Summary of DNI processing in the Aguaytía Region

District	No. of undocumented people registered	No. of DNI process which have been started	No. of observed DNIs	No. of Birth Certificates in process	Total No. of Birth Certificates granted
Padre Abad	845	110	72	270	11
Irazola	763	133	23	471	115
Curimaná	328	0	0	0	0
TOTAL	1,936	243	68	741	127

3. MAIN ACTIVITIES OF THE QUARTER

- PETT has pledged to continue the Land Titling processing work still required for the properties that have been delimited and registered by PDA, by virtue of a bilateral agreement with USAID. PETT will assume the cost of all fees while PDA will continue to provide support by supplying office and logistics material.



- An agreement has been reached with INRENA to exclude the properties worked by PDA from the PPF of Ucayali and validate PDA's land classification technical reports. By virtue of this agreement, 1185 files have now had their land classification reports validated, and these have been delivered to PETT's Plan Selva team, so that they may continue on to the next processing stage.
- A cost-reduction policy has been implemented for operations.

4. NEXT STEPS

- INRENA will complete the works to exclude the delimited properties lying within the PPF of Ucayali and carry out all registry regularization tasks related to the Alexander Von Humboldt National Forest, in order to be able to continue delivering the 4,942 files to PETT to complete the land titling process.
- Ensure that PETT is complying with its commitment to continue the land titling process for the 4,942 properties located within the PPF and/or National Forest.

- Continue with the campaigns to attend undocumented signatories in IRAZOLA, CURIMANA and PADRE ABAD, so that they can obtain their DNIs. The project for this is currently being designed.

5. CONSTRAINTS / CHALLENGES OF THE QUARTER

- Central PETT's criteria have not been very constant with respect to completing formal land titling for the 4.300 properties under PDA's scope of intervention. While it is true that PETT considered the absence of an agreement to be the greatest constraint for completing the land titling process in the Province of Padre Abad, in the practice, it is in fact executing this work without having signed any agreement at all.
- INRENA, with the support of the PDA, will solve the legal problem derived from the incorrect registration of the Permanent Production Forests comprised within the Province of Padre Abad.

6. LESSONS LEARNED

- It is extremely difficult to work with public institutions such as PETT and INRENA since neither institution assumes the role of key player within a normal titling procedure.
- It is very damaging to enter into agreements which do not go into to minor detail; the institutions take advantage of this to construe their meaning differently. In that sense, the agreement with INRENA and the operational plan with PETT specify each action to be followed.
- Sweep measurement over basins or micro-basins is more economical and faster than conducting measurement by isolated communities.
- Permanent personnel evaluation and training is critical.



7. RECOMMENDATIONS

- Continue applying the same work methodology to register the properties delimited by PDA and PETT.
- Solve the problem that has arisen as the result of the incorrect registration of the Permanent Production Forests and/or National Forest in the areas worked by CI. We are hiring a legal advisor to help us expedite these processes.
- Continue attending undocumented persons in the areas in which the PTT intends to operate in the near future.

ENVIRONMENTAL COMPLIANCE ACTIVITIES

Very significant activities have been carried out this quarter in relation to the application of the environmental evaluation process within PDA. The following is a summary of the main activities of the quarter:

- We continued applying the environmental process by carrying out grassroots environmental evaluations, environmental inspections of productive works and projects and by preparing a number of environmental management plans for rehabilitation projects on roads supporting more earthworks.
- Environmental audit of the application of the PEA: this audit began in the month of January. In May, a national workshop was carried out to present the main audit results and at the same time hear the recommendations of the different key parties for ways on which to improve PDA's application of the various environmental processes. We joined efforts to work with the consultant, DEVIDA and USAID towards concluding the audit report. This has finally been approved and is currently in execution.
- In Tingo María, Tarapoto and Lima we carried out presentations directed at CSE staff regarding the advancement of the PEA and the implications and responsibilities related to the execution or promotion of the economic activities which must comply with a series of environmental regulations. The activity was very successful insofar that technical staff understood that it is essential to integrate environmental regulations in their work. Similar workshops will be developed in other venues.
- A meeting was held in Lima gathering the heads of the regional CSEs, CSE staff in Lima, PRA and USAID staff. This meeting was very important to clarify the scope and responsibilities of the PRA and the PDA with respect to their compliance with environmental regulations.
- A benchmarking draft has been prepared to implement the environmental assessment of pesticides (PERSUAP) and for the environmental assessment of crops promoted by the PDA. This benchmarking draft was worked on and

completed together with USAID Lima and was then submitted by USAID Lima to Washington for approval. The consultancy for the completion of the PERSUAP and the environmental assessment is scheduled to commence July 11th, 2005.

- A detailed plan of action was completed as a result of the joint USAID and DEVIDA efforts. This translates the results and recommendations of the PEA's audit and the results of the national workshop carried out, into specific activities. USAID has approved this plan and its implementation will commence during first days of July, 2005.

1. Other activities

Additional and significant activities related to planning of the activities in the Territorial Intervention Units pending intervention, were also introduced during the reporting quarter. In this sense we have continued working with the diagnostic and integral development plans while also defining the methods to be applied in the plans to implement territorial ordering. This report also includes the basic maps that we have prepared to be used for planning the agricultural or forest activities in the territorial intervention units.

As mentioned above in this report, everything referred to the environmental audit has been completed; this has required our involvement in intense teamwork with USAID and DEVIDA. During the final stage of the audit, Victor Bullen (USAID/Washington) visited us. With his help we reviewed the final report, the work plans and other documents related to the application of the environmental system.

CHAPTER V: COMMUNICATIONS

A. Strategic planning process for communications

During the reporting period, PDA's Communications component continued with the strategic planning process in all of its areas. Greater emphasis has been placed on the evaluation of regional operative plans, with the aim of achieving enhanced efficiency with respect to management and the implementation of the actions in the respective regions.

Since the Technical Committee's final approval of the Regional Operative Plans in January 2005, the strategic planning process has established a work space which has contributed to better articulate the activities designed to carry out the general objectives of PDA's Communications Program.

Main activities of the quarter include:

- Achieving a unified work system, by which PDA and DEVIDA'S communication areas work hand-in-hand. This has enabled us to carry out more ambitious communications tasks.
- In the areas of Tingo María, Aucayacu, Juanjuí and Aguaytía the work of the Regional Technical Committees (CTRs) has been consolidated, uniting PDA's main partners and allies in each jurisdiction.
- The performance evaluation of the Regional Operative Plans has become much stricter. During the reporting period, the performance evaluation has been revised on several occasions by PDA's central Communications area.
- In VRAE, and due to its particular socio-political juncture, an immediate action plan was executed. Operative plans per intervention zone were programmed for the June-July, 2005 period.

B. Promotion and dissemination of PDA activities in the regions

During the reporting period, the communications area continued to broadcast the daily and weekly radio programs designed to promote the program's activities and to establish the foundations for consistent action, with objectives and results incorporated into PDA's Joint Communications Strategy.

Dissemination of the PDA through regional media

During the reporting period, we continued to market PDA's promotional mix according to the following program:

Production of radio programs and broadcasting of radio and TV spots

- 720 one-hour long programs were aired in Tingo María, Aucayacu, Pucallpa, Aguaytía, VRAE, Tocache, Juanjuí, Uchiza and Tarapoto. These programs were produced by PDA's communication teams.
- 12 weekly radio programs produced by the PDA were aired in the city of Tarapoto.
- 5400 radio spots were aired in all of PDA's areas of intervention (concentrated in the main radio stations).
- 3500 radio spots were aired in all of PDA's areas of intervention (concentrated in the main radio stations).

Radio soap opera III: "Almendra, corazón de selva"

- During the reported period, 30 chapters of the radio soap opera "Almendra, corazón de selva" were aired.
- The impact of this radio soap opera was assessed in Aguaytía and Pucallpa and the preliminary results are quite promising.

Female Leadership Competition

- Radio dramatizations based on the six (6) winning stories of the "Mujeres, historias de vida" contest were produced and aired in the context of the celebrations of the feast of San Juan.
- We completed the project designed to involve the participation of women leaders. The idea is to grant them 1 hour of radio time on PDA's radio programs, through which they may be able to become involved with the Community Communications Platform's proposed strategies.

Audiovisual production

- The CSE documentary was completed and aired at national and regional levels.
- The production of the first video news program "EL PDA INFORMA" was completed.
- Editing of the "Almendra, corazón de selva" radio special was started; it will be aired during the national holidays.

- The images for the “EL PDA INFORMA” news program (Nº. 2) were filmed and the script is currently being produced.
- The first itinerant photograph exhibit showing PDA's work was completed in Aguaytía and we have begun selecting the pictures for Tingo María, San Martín and VRAE.
- Four radio programs were produced on the fallacies related to narcotics trafficking: the sacred coca leaf, fumigation, industrialization and coca as an agrarian issue.
- Editing of a pilot program for open channel TV on illegal crops, narcotrafficking and alternative development is in its final phase.

Graphic production

- PDA pamphlets for Aguaytía, Tocache, Tingo María and VRAE were printed and then distributed to all of PDA's areas of intervention to be used as part of the strategy to disseminate PDA's advancement.
- The Guide for PDA Facilitator agents was printed and distributed to Socialization.
- Posters were created for disseminating the activities carried out by the PDA to celebrate the Feast of San Juan in the areas of intervention.

2005 National Sensitization Campaign – Phase III

- Due to the high cost of implementing a nationwide publicity campaign, the PDA decided to reconsider the strategy to be followed bearing in mind budget restrictions and the target public defined in the previous campaigns. PDA's communications' technical committee is still reviewing this activity.

C. Community communications and public opinion platform

Initial community communications activities were carried out this quarter in Aguaytía and Tingo María. PDA's New Approach has been set in place in the development units of Tocache. Counsel on communication skills was offered for those in charge of drawing up the Participative Rural Diagnostic (hereafter 'DRP') in the new communities. Finally, we have made great efforts to intensify our presence at community fairs to publicize the work of the PDA.

The main activities undertaken during this quarter include:

- Designing and implementing community communications activities (Motorcades for Development and Multi Services Information Fairs) in Tingo María, Aguaytía and Tocache, directed at signatory communities.
- Designing and training the Regional teams of Tocache and Aguaytía in the methodology and application of the DRP .
- Designing guides for the application of the DRP.
- Designing and executing joint community intervention actions with the facilitator agents of the development unit of Bajo Huallaga 1: presentation and negotiation of the Development Plan with the authorities and population of the 7 communities which make up the development unit.
- Designing, supervising, accompanying and producing communication materials for the implementation of agreements with communities of the R372 negotiation plan.
- Production of material to support the work of PDA's team of facilitator agents: Facilitator's Guide and Handbook, Guide for the Community Coordination Committees.

ACTIVITIES FOR THE FEAST OF SAN JUAN

The PDA has made enormous efforts to participate and make its presence felt in the Feast of San Juan, since this the one religious holiday when the people of the Peruvian jungle participate fervently. Our aim was to take advantage of this occasion to transmit the idea that the PDA is a friendly and sincere institution that is open to inform the communities and their families on its program.

Main activities included:

Radio broadcasts

- June 16 - 27: Transmission of six radio documentaries on the life stories of the women leaders who won or obtained special mentions in the "Mujeres, Historias de Vida" contest, sponsored by the PDA at the beginning of 2005. This was aired in all of PDA's areas of intervention.

Theatrical plays

- June 22- 24: Staging of "La fuente de la juventud" in all of the areas of intervention, by the Asociaciones de Actores Aficionados de Tingo María y San Martín. This was highly successful and widely accepted by both the rural and urban population.

Community action in San Juan

- *June 22 – 23: The Caravana por el Día de San Juan* took place in **Aucayacu**. This activity included institutional stands, plays, typical regional dances, a children's show, free hair cuts, contests, and we also offered a medical checkup and dentistry. Approximately 2500 people took part in this event, most of which were residents of Aucayacu and its surrounding communities.
- June 26: In **Tingo María** a symbolic pro-peace and development event was organized under the name of *Pregón por la Paz y la Vida Lícita*. Approximately 3,500 inhabitants participated.
- June 18-19: The PDA participated in the fair organized by CEDRO, in **Aguaytía**. We also took part in the fair carried out by this same institution on June 26th in Pucallpa.
- In **Chazuta** the “*Juntos por el desarrollo*” fair was carried out. This attracted roughly 1,000 inhabitants from the Chazuta sector and from the surrounding communities. Several institutions affiliated to the PDA program also took part, including CEDRO, PRISMA, the Municipality of Chazuta and other local organizations. There was an exhibit of traditional handicrafts, typical foods and a series of shows.
- In **Juanjui**, more than 200 people from the different human settlements around the city of Juanjuí, benefited from the health and social services offered (hair cuts, soldering, carpentry, electronics and primary health care). PDA was able to offer these services free of charge thanks to the coordination with important local organizations.
- A “*Pasacalle por una vida sana y lícita*” was also organized in **Juanjui**. A considerable number of youths who belong to Centros de Acogida and to CEDRO’s school age communicators' program, took an active part in this activity, as well as students from the CEO of Juanjui and inhabitants from the Pajarillo District. This event helped to sensitize the population on legal and healthy ways of living.
- A “*Pasacalle por una vida sana y digna*” was also carried out in **VRAE**. This gathered over 400 people, including local artists, students and adults, who paraded through the streets of San Francisco and Kimbiri.
- The PDA has also taken part in important local activities carried out in **VRAE**, including:
 - Peasant’s Day (Día del campesino) on June 24th.
 - The Organic Coffee and Cocoa Festival (June 22-24)
 - The feast to celebrate Kimbiri’s Patron Saint (June 18-24)
 - The Sports Festival for a Healthy and Dignified Life (June 25th)
 - World Day Against the Use of Drugs (June 26th)
 - Anniversary of San Francisco (June 26)
 - World Day of Tropical Forests

D. Summary of results

- The Strategic Planning Process was consolidated at intervention area level.
- The work of the CTRs has been consolidated, particularly in the jurisdictions of San Martín, Aguaytia and Tingo María. This has served to strengthen the support of PDA's partners and allies, who now have a wider perspective of integral and legal development in the regions.
- We have opened up a new channel for community communications based on a direct and transparent relationship with the communities and their families. This was made possible through the implementation of information fairs and free services to project a clear proposal of the legal and productive opportunities available to them.
- A series of audiovisual products and graphic materials have been developed to illustrate PDA's contribution to the national, regional and community development (videos, news programs, pamphlets, among others).
- PDA's Communications area now has an Evaluation Plan, which is based on the construction of indicators and establishment of a baseline for the Communications component.

E. Lessons Learned

- Permanent community intervention is indispensable for promoting behavioral change (i.e. farmers and their families switching from depending on illegal crops for their livelihoods to living off legal, coca-free, productive activities).
- Intensive work must be carried out in the following quarter to develop information poles designed to supply the media with information on the PDA and its contributions. This is a key aspect that is still pending.
- There is still a serious lack of spokespersons at regional and local levels. This is going to require developing a strategy to promote permanent efforts to guarantee a perspective of integral development, on the basis of legality in the program's areas of intervention.
- It is also vital to consolidate the articulation between the different PDA components (CSE, infrastructure, socialization, land titling, natural resources and environment).
- It is essential to register the advancement of the program on a continuous basis, so that we can produce enough audiovisual and graphic material to

satisfy the enormous demand of information required to supply the areas of intervention.

F. Activities for next quarter

- Consolidate a line of work for Community Communications as an effective means of reaching the communities and the families directly and clearly.
- Implement the Public Opinion and Institutional Platform, (the other fundamental axis complementing the Community Communications Platform) that will help to support all of the activities projected to be carried out in the areas of intervention.
- Start-up the Audiovisual Production Center to full capacity at central level and seek the best operation mechanisms to maximize dissemination in the areas of intervention.
- Design and implement information generating centers at regional level, and design and implement permanent work with the media and network of authorities, leaders and institutions linked to the execution of the PDA.
- Implement a program to boost the communication skills of agents who are both internal and external to PDA, so that they may improve their communication channels with the communities.

CHAPTER VI : PERFORMANCE AND MONITORING

The primary objective of the Performance and Monitoring System consists in i) offering reliable information on the status of and progress made in connection with project management, ii) to facilitate managerial decision-making and thus guarantee efficient operations, and iii) to offer support to the activities carried out by the Mission's projects and programs and create an ongoing learning environment.

Information System:

Activities during the April – June 2005 quarter have focused on:

- Improving the central database: integrating the CSE module for Technical Assistance and the control module for inputs.
- Releasing the contracts module and the module to clean migrated information data.
- Adapting the control module to progress of infrastructure works.
- Improving information system management, which required training USAID and DEVIDA's monitoring and performance staff.
- Continuing to implement the automatic processes for the generation of information in compliance of R-372.
- Integrating system information with mapping elements (GIS) and publishing them on the WEB for reference consultation.
- Pilot integration of USAID's 'Aprendes' and 'Titulo II' projects into the information system.
- Installing CorVu in USAID's AD office and making WEB links in DEVIDA.
- Generating a set of files with updated information to be used in DEVIDA's SISMED system.
- Support and maintenance of the modules developed to integrate new ways of managing the information system.
- Standardizing the databases of the communities surrounding all of the entities involved in and executing USAID projects.
- Support for the timely and random generation of information requested by USAID-DEVIDA.

Next steps:

- Provide ongoing training to PDA-USAID and DEVIDA officials so as to reinforce their information system skills and thus optimize the use of this tool.

- Integrate information related to Property Titles, Communications and Environment to the Performance and Monitoring System's database.
- Release the 'Aprendes' and 'Titulo II' modules.
- Configure the GIS Server with ARC-DSE to construct dynamic and on-line maps.

Recommendations:

- Continue training officers working at different levels of PDA and external entities (USAID-DEVIDA) and monitor their progress.

Website

- A security process was implemented during this quarter, to restrict access to www.pdapperu.org which is the point of entry for all information on products generated by the Performance and Monitoring Information System.
- We are continue to use the same contents published to date and we are working on new ones to incorporate in the future. We shall be announcing these shortly.

Next steps:

- The tasks that are still pending are mainly related to hardware support among which are:
- The re-configuration of the cluster services for the central database and for posting on the web.
- Configuration of message services for automated data transmissions between the institutions involved.
- Adjustment of security policies through the configuration of physical firewall devices.

Geographical Information System (GIS):

One of our major advancements this quarter was the consolidation of the GIS as a support tool for our organization's activities. This entailed:

- Developing an adequate data structure to meet the demand for information: information related to the progress made by infrastructure and productive projects, furnished to us by the Performance and Monitoring area of each office, including central office, was annexed.
- Compiling additional information useful for decision-making, thanks to the cooperation of other private and public institutions. This included: boundaries of protected areas, native communities, forest concessions, production forests, (INRENA DGAP), coca-crop density (CNC), thematic maps (IIAP), and environmental baseline maps (INRENA OGATEIR).

- Consolidating the information in a user-friendly format: for this, we have implemented ARCReader, which contains the following information which is portable, user-friendly and can be easily updated:
 - ⇒ Location of the different infrastructure works and production projects, (line of investment, executor, project stages, type of project).
 - ⇒ Location of communities rejecting or accepting PAD.
 - ⇒ Location of coca-free communities and communities where eradication is still pending.
- Preparing thematic maps, as requested by the different PDA areas: map showing the location of communities, maps showing the capacity for potential use and sensitivity, road maps.
- Preparing maps according to the results of an analysis of the data reported by PDA – related organizations, useful for decision-making at PDA and USAID directorate levels. These include:
 - ⇒ Maps of coca blocks measured by CADA and blocks whose coca-crops have been eradicated by CORAH.
 - ⇒ Map of the new Territorial Units to intervene according to the density of coca-crops measured and estimated by satellite imagery (CADA).
 - ⇒ Maps of Plan 2005: intervention by PDA and CORAH.

Performance and Monitoring:

Activities during the April – June 2005 quarter have focused on:

- Preparing weekly reports to inform on the progress of self-eradication, for USAID-DEVIDA and PDA's management.
- Updating the information in real time from PDA's Regional Offices, and checking its consistency and veracity in the field.
- Analyzing and crosschecking variables to control the quality of the information entered into the Information System from the different regional offices and from our Lima offices.
- Preparing “alerts” related to PDA activities, mainly in the areas of infrastructure, productive projects and socialization at both regional and central level.
- Carrying out 12 participative rural diagnoses in Sauce and Shapaja. A preliminary draft was prepared on the basis of the information obtained through these surveys. This will be used as material to prepare the Development Plan for these Units.
- Evaluating CEDRO's intervention and performance for the 2004-2005 year. This entailed assessing its work in connection with aspects related to communications, strengthening and work skills; in addition to assessing its level of interaction with PDA-CI.
- Preparing a series of reports and presentations to inform on the progress made by PDA, to submit to USAID and DEVIDA, as requested by our respective Management areas.

Next steps:

- Continue developing the first five steps mentioned on the previous page.

- Compile and analyze the information that will allow us to evaluate PDAP's results and strategies; this will require designing certain instruments to enable us to carry out these evaluations expeditely.
- Respond to requests for crosschecking the information of variables for PDA, DEVIDA and USAID management.

ANNEX 1: Administrative and Financial Report

A. Administrative Report

A1. Contracts and Grants

During this quarter, the project signed 50 subcontracts and work orders, totaling S/.12,034,912 (US\$ 3,703,050) as shown in the table below:

Fixed Price Subcontracts	No	Amount S/.	Amount US \$
Infrastructure	19	3,279,743	1,009,152
Communications	2	306,853	94,416
Natural Resources & Environment	2	60,048	18,476
Total	23	3,646,643	1,122,044

IQS (Work Orders) - Infrastructure	No	Amount S/.	Amount US \$
Work Orders – Construction	24	5,163,877	1,588,885
Total	24	5,163,877	1,588,885

Cost Reimbursable Subcontracts	No	Amount S/.	Amount US \$
Sustainable Development	1	1,295,985	398,765
Infrastructure	1	438,812	135,019
Security	1	1,489,595	458,337
Total	3	3,224,392	992,121

Additionally, we signed 26 grant agreements valued at S/.5,121,112 (US\$ 1,575,727) as shown below:

Grant Agreements	No	Amount S/.	Amount US \$
Infrastructure	20	2,635,705	810,986
Economic Service Centers	6	2,485,407	764,741
Total	26	5,121,112	1,575,727

During this quarter, the Contracts department continued its efforts to award subcontracts, task orders, and grants in support of the R-379. In support of the implementation phase currently carried out by the Infrastructure team, the Contracts department continued to log, review, and award, a large number of subcontracts and grants.

The contracts department has also been working with the technical areas to define and identify its role in view of the new 2005 strategy, where local governments and municipalities will play key roles in the implementation of benefits for the signatory communities. The new strategy will change its approach from the execution of small

projects to larger multi community projects executed through grants rather than subcontracts.

A transition plan has been put into action for the position of Subcontracts and Grants Manager within the Contracts department. A shadow and hands-on work assignment started for the Peruvian professional identified to take over this position at the end of September 2006. At the present time, the function of requesting approval for appraisal memos has been fully transferred with only some supervisory oversight.

A2. Human Resources / Legal / IT Activities

The following is a summary of the main activities carried out during the quarter:

- In June we identified and hired Daniel Diez as our HR Manager. As stated in the previous quarterly report, the need to better handle personnel in Lima and our regional offices made it necessary to hire a local professional with local labor knowledge and experience.
- Throughout May, Lima and Regional management defined the personnel reduction strategy for the next 6 months. This process included the assessment of short term needs and long term projections. These projections and needs have been incorporated into our master budget for more accurate personnel estimated costs.
- A review of the personnel policy manual started with the hiring of the new HR Manager. Meaningful changes will be incorporated soon, such as: code of ethics, harassment policies, decentralized hiring, salary increases, terminations, etc.
- A mayor restructuring of the project took place at the end of June. Technical Support and Regional Offices Coordination Sub-directorates were created, and Aaron Drayer and Carlos Díaz respectively were appointed for these positions. As part of the restructuring, CSE functions were separated from Productive Projects at the Lima and Regional Levels. Finally, as part of the transition efforts, Jaime Medrano became Associate Director working closely with the COP on the general management of the project.
- We acquired a server to support and grant Internet access to DEVIDA in the VRAE-San Francisco area. This server has been specifically set up to cover the security needs that such service requires.
- Verónica Moscoso, a lawyer who had been working closely with the Infrastructure and Contracts team on the day-to-day management of their subcontracts, moved to the Finance and Administration area and became the project's Legal Specialist. In her new role, she will support all project areas giving legal advice on different topics, such as HR, administrative procedures, licenses and government fees. Additionally, she became our liaison and coordinator for all interaction with our outside attorneys.